

Prange expands nationwide, but keeps its own market niche

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Prange & Co. has been consistently profitable, and Prange talks about the company's dedicated sales associates, its talented buyers and merchandisers, about the lengthy stewardship of his father, H. Carl Prange, who ran the company through the "tough years" of the Depression and World War II.

Henry Prange won't mention how he spearheaded the company's early entry into the discount store business with Prange Way in 1962, then supervised development of a women's clothing specialty-store division, id. Both divisions have provided important new profit centers and cushioned the company through years of chaotic change for department stores in the '70s and '80s.

"If something good happens, he says that's why he has good people working for him, but if something bad happens he says, 'That's my responsibility,'" observed Camille Haney, a partner in the public relations firm of Anderson, Benjamin, Read & Haney who has been on the H.C. Prange board since 1979.

H.C. Prange is a private, family-owned company, but ownership is shared with more than 2,000 employees who hold stock through a company profit-sharing plan. Five outside directors sit on the six-person board and Henry Prange aggressively seeks their advice.

"There's a lot of interaction between meetings," Haney said. "Henry looks for diversity and discussion. He doesn't have a rubber-stamp board and doesn't want one."

Whatever advice is passing back and forth, it seems to be good for the company. Sales have grown 121% in the last decade, from \$171.4 million to \$373.8 million last year. Based on sales of its department store division alone, H.C. Prange ranked No. 74 in

PRANGE'S PRANGE WAY id

H.C. Prange Co.

In addition to its three main divisions, the company operates two Christmas & Things specialty stores and Prange Business Interiors.

- **Prange's.** Full-line department store division: 21 stores located in Wisconsin, Illinois and Michigan. 1987 sales — \$178.2 million; operating earnings — \$12.8 million.
- **Prange Way.** Discount store division: 19 stores located in Wisconsin and Illinois. 1987 sales — \$147.3 million; operating earnings — \$5.4 million.
- **id.** Women's clothing specialty-store division: 104 stores in Wisconsin, Illinois, Michigan, Indiana, Kansas, Kentucky, Minnesota, Missouri, Ohio, Tennessee and West Virginia. 1987 sales — \$49.7 million; operating earnings — \$1.9 million.

the 1986 list of top 100 department stores, compiled annually by Stores magazine.

The Prange's department store division has contributed almost half of the company's sales total and more than half of operating earnings in recent years. Though a number of retailers with both department store and discount or specialty operations are consolidating their department stores and focusing growth strategy on their other divisions, H.C. Prange has continued to add to its department stores.

A new one in Holland, Mich., will open in August. In addition, the company will finish remodeling and expanding its Green Bay and Madison Prange's this year and plans to begin a face lift of its Eau Claire store.

"The department store is a mature business, but also, in my judgment, a very strong business," Prange said. As yet another sign of that, the company is looking at four or five sites for new department stores, he added.

At the same time, H.C. Prange is expanding its Prange Way unit, which it calls an "upscale discount-er." A new Prange Way just opened at West Towne Mall in Madison to replace one that had essentially been an annex to the Prange's there; the same thing will happen later this year in Eau Claire.

The H.C. Prange division that has been expanding most rapidly is id. It added 33 stores during 1987, building 17 and buying 18 in the south-central and southeastern part of the country. It followed that with another acquisition this year of 12 stores in the St. Louis, Kansas City and Memphis areas. In addition, seven new stores are to open by this fall.

Despite all this activity, the Prange name remains almost unknown in its home state's largest city, Milwaukee. There are five id stores in the Milwaukee area, but the company has deliberately avoided opening a Prange's or Prange Way here. Its philosophy has been to stay in small and medium-size communi-

ties. Madison is Prange's largest market.

However, in the last year there have been persistent rumors that H.C. Prange was about to break that self-imposed taboo and buy some or all of Marshall Field's stores in the metro area. Those rumors have been denied by both sides.

The subject was off-limits during an interview with Prange at the company's corporate offices on the outskirts of Sheboygan. Prange typically shuns publicity, but one-on-one, he displayed a wry, self-deprecating sense of humor.

The only time he willingly takes the spotlight is when he visits the company's stores — he tries to go to each store every year and meet informally with the company's 7,000 full-time and part-time employees. He talks about how the company is doing and then answers questions. Prange said he very seldom gets hostile questions.

"People want to be constructive. They ask good questions," he said. "Like every company, I guess, we do things that don't always seem to make sense. At these meetings, employees can ask why and get an answer."

The company was faced with some tough questions in 1983 when its flagship downtown Sheboygan store had to be razed after a break in a water main damaged the five-story building's central supporting pillar. The company decided to rebuild the store, albeit on a much smaller scale, even though Sheboygan's downtown was dying as a viable retail location. The decision reflects Prange's values.

"We rebuilt the store downtown. From a business point of view, we shouldn't have, and we knew it. But everything is not the bottom line. There's a commitment to people, to the employees," he said. "At the same time, if there is no bottom line, you aren't there."

The new store opened in April 1984, but it was not enough to resuscitate the downtown. The old store was a landmark and a meeting place and, perhaps unfairly, its reduced replacement attracts a residue of resentment from residents. However, the Pranges, both corporately and as a family, still have a reputation of being generous, civic-minded citizens.

The sense of the business as a trust is strong for Prange. He started working for the company when he

was 13, making deliveries and being a "go-fer." As an only son, Prange said it was expected of him to come into the business. But he was eager to. He officially joined the company in 1950 as a hosiery buyer after spending a year in New York working as an assistant hosiery buyer for a mutual buying syndicate. He worked in a variety of jobs at the company, from store manager to merchandise manager, and it's obvious he relishes retailing.

Three of his five children are involved in the business: Charles is the corporate secretary; William, executive vice president and general merchandise manager of the id division; and John, Prange's personnel director. Prange is active in all aspects of the business, but he has initiated discussions within his close-knit family about who will succeed him as head of the company.

Prange himself had a long apprenticeship. He says candidly that though he was made president in 1965, he didn't really start assuming control until the late '60s and early '70s.

"I'm going to have to be smart enough to walk away one of these days, and then really walk away."

Look